

## Message Text

LIMITED OFFICIAL USE

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73

ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 FRB-03 PA-01 USIA-06

PRS-01 /093 W

----- 090589

R 251230Z MAR 75

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 6100

LIMITED OFFICIAL USE LA PAZ 2111

E.O. 11652: N/A

TAGS: ENRG, EINV, VL

SUBJ: GOB DECREES ELECTRIC POWER RATE INCREASE IN LA PAZ

1. BY CABINET DECISION ON MARCH 21, GOB  
REPORTEDLY HAS FINALLY DECREED RATE INCREASE  
FOR BOLIVIAN POWER COMPANY (BPC). MINISTER  
OF ENERGY WAS REPORTED AS STATING THAT INCREASE  
WILL BE MINIMAL FOR POOREST HOMES THAT CONSUME  
MINIMUM AMOUNT OF ELECTRICITY. RATE FOR SUCH  
HOMES WOULD NOT EXCEED SEVEN PESOS PER MONTH.  
THEREFORE HE CONCLUDED THAT WAGE INCREASE  
NOT JUSTIFIED.

2. COMMENT: EMBASSY SOURCES, INCLUDING  
BOLIVIAN POWER MANAGER, SAY GOB HAS DECIDED  
NOT TO BUY BPC FOR INDEFINITE FUTURE, BUT  
TO RAISE RATES BY AN AVERAGE OF ABOUT 70PERCENT TO  
POINT THAT WILL YIELD CLOSE TO NINE PER CENT RETURN ON BPC  
INVESTMENT. DECISION AGAINST BUY-OUT DETERMINED BY GOB  
DESIRE AVOID "SUBSIDIZING" BUY-OUT FROM  
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TREASURY RESOURCES AND EQUAL IF NOT GREATER

DESIRE RAISE RATES NO MORE THAN MINIMUM  
NECESSARY TO INDUCE BPC TO CONNECT EXTENSIVE  
NUMBER OF FIRMS AND FAMILIES THAT HAVE BEEN  
ON WAITING LIST FOR MANY MONTHS, AND OTHER  
FUTURE CLIENTS. WE SUSPECT THIS RATE INCREASE  
MAY NOT ACHIEVE NINE PER CENT RETURN, UBT WE  
DO NOT HAVE DETAILS AS YET. APPEARS GOB MAY  
WAIT FOR RESULTS OF OIL EXPLORATIONS BEFORE  
AGAIN CONSIDERING BUY-OUT.  
STEDMAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ELECTRIC POWER, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LAPAZ02111  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750104-0625  
**From:** LA PAZ  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750319/aaaaaqmm.tel  
**Line Count:** 71  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03 SEP 2003 by ShawDG>; APPROVED <04 SEP 2003 by GolinoFR>  
**Review Markings:**

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EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOB DECREES ELECTRIC POWER RATE INCREASE IN LA PAZ  
**TAGS:** ENRG, EINV, BL  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006